



Statement of the Interactive Advertising Bureau to the California Attorney General on the California Consumer Privacy Act

February 5, 2019

Thank you for the opportunity to offer comments today. I commend the Office of the Attorney General for holding this forum on data privacy, an issue of central importance to everyday life.

My name is Alex Propes, and I work with the Interactive Advertising Bureau, or “IAB.” Founded in 1996, the IAB represents over 650 leading media and technology companies that are responsible for selling, delivering, and optimizing digital advertising campaigns. Working with our member companies, the IAB develops technical standards and best practices and fields critical research on interactive advertising. We are committed to professional development and elevating the knowledge, skills, expertise, and diversity of the industry’s workforce.

Of our 650 member companies, nearly 200 are headquartered across California - from San Diego to San Francisco. Our California-based member companies include newspapers such as the L.A. Times and Investor’s Business Daily, entertainment companies such as Zynga and Electronic Arts, online shopping networks and retailers such as shopping.com and StubHub, and technology companies such as OpenX and Factual. These companies offer a wide variety of content and services that consumers love. And these services are all supported by revenues from online advertising.

IAB research conducted by Harvard Business School Professor John Deighton has found that the advertising-supported digital economy supports over 478,000 full-time jobs across California, and contributes \$178 billion to California’s GDP.¹ We believe effective privacy regulation that promotes consumer trust and builds on industry best practices can and should promote even greater job creation and economic growth in California.

We support the guiding principles of transparency, control, and accountability that are captured in the CCPA. It was in furtherance of these principles that we developed the Digital Advertising Alliance, or “DAA,” the cross-industry self-regulatory privacy principles which have been widely implemented across the digital advertising industry and are a requirement for companies wishing to join the IAB.²

The DAA Principles require companies to inform consumers about their data practices, and to offer consumers control over the collection, use, and sharing of their data. Furthermore, the DAA prohibits the collection, use, and sharing of data for

¹ John Deighton, The Economic Value of the Advertising-Supported Internet Ecosystem (January 2017).

² Digital Advertising Alliance, Self-Regulatory Principles for Online Behavioral Advertising (July 2009).

potentially harmful practices such as determining eligibility for employment, credit, health care treatment, or insurance.

While the CCPA seeks to enshrine these important concepts, we are concerned that without additional guidance and clarification from the Attorney General, the law could result in unintended consequences. Today I would like to highlight a few areas of relevance to businesses in the media and marketing industries as they work towards CCPA compliance.

First, it is important that CCPA's non-discrimination provisions do not prevent publishers from charging a reasonable fee as an alternative to using an advertising-supported business model. There is a concern the CCPA non-discrimination provisions will prevent publishers from charging a fee to access their content for those consumers that elect to opt out. Publishers, especially small publishers, rely on third-party advertising providers to generate revenue to support their content and services. It is critical that we avoid requiring websites to grant everyone access to their digital sites, even visitors who have opted out, without allowing for some paid alternative. We ask the Attorney General to permit a business to charge a reasonable fee as an alternative to using an advertising-supported business model.

Second, it is important that CCPA provide businesses with the flexibility to offer reasonable options to consumers with regard to deletion and opt out rights. The CCPA allows consumers to opt out entirely of the sale of their data or delete their data; but the law does not explicitly permit a business to offer a consumer the choice to delete or opt out of some, but not all, of their data. We ask that the Attorney General clarify that businesses may offer reasonable options to consumers to choose the types of "sales" they want to opt out of and the types of data they want deleted, in addition to a general opt out.

Third, it is important that CCPA provide the needed flexibility for businesses to verify consumer requests. In many scenarios in the digital advertising industry, businesses have limited ability to verify the legitimacy of consumer requests under the CCPA. This difficulty in determining which requests are legitimate and which are fraudulent puts consumers and their data at risk from unauthorized requests. We ask that the Attorney General recognize that verifying consumer requests may take many forms and should refrain from enforcement actions when companies make commercially reasonable efforts to verify a consumer. We also ask that the Attorney General distinguish between parties that hold data that is purely pseudonymous and that have no means of connecting it to a natural person.

Thank you for the opportunity to speak with you today. We look forward to providing more detailed written comments to the Attorney General in the days ahead.